

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Scott Analyst: Kristina E. North Bill Number: SB 219

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: June 13, 2002

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Allow All Taxpayers To Be Eligible For Disaster Relief/Conformity To Federal Victims Of Terrorism Relief Act

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended May 20, 2002.
- ☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- _____ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- _____ FURTHER AMENDMENTS NECESSARY.
- _____ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 20, 2002, STILL APPLIES.
- _____ OTHER - See comments below.

SUMMARY

This bill would conform state law to specified sections of the federal Victims of Terrorism Tax Relief Act of 2001 to do the following:

- ♦ exempt items from income for certain disasters or acts of terrorism,
- ♦ extend certain taxpayer deadlines, and
- ♦ allow disclosure of certain taxpayer information to federal agencies.

SUMMARY OF AMENDMENTS

The June 13, 2002, amendments:

- ♦ eliminated the language providing a \$10,000 minimum benefit to all 3,200 victims of the Oklahoma City bombing, September 11th, and anthrax;
- ♦ clarified that the Franchise Tax Board (FTB) may release tax return or return information to federal agencies conducting terrorist investigations;
- ♦ specified that FTB may not disclose the tax return or return information discussed above if the FTB determines that the disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation.
- ♦ corrected the federal act references to "Victims of Terrorism Tax Relief Act of 2001"; and
- ♦ renumbered Revenue and Taxation Code Section 17132.6 to 17132.5.

Board Position:

_____ S _____ NA _____ NP
_____ SA _____ O _____ NAR
_____ N _____ OUA ☒ PENDING

Legislative Director

Date

Brian Putler

6/20/02

These amendments resolved the implementation, technical, and policy concerns raised in the department's analysis of the bill as amended May 20, 2002. Except for the changes discussed above, and the new revenue estimate, the remainder of the department's analysis of the bill as amended May 20, 2002, still applies. The department's position remains pending.

ECONOMIC IMPACT

Revenue Estimate

As stated in the previous analysis, a majority of the revenue losses pertained to the \$10,000 minimum tax relief benefit. Since the bill has now been amended to remove conformity to this federal provision, negligible revenue losses of under \$250,000 are expected for fiscal year 2002/2003, under \$200,000 for 2003/2004, and under \$100,000 for 2004/2005.

LEGISLATIVE STAFF CONTACT

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